

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:305

ANSWERED ON:06.07.2004

CONSTITUTION OF NATIONAL STEEL REGULATORY COMMISSION

Chakraborty Shri Ajay; Jagannath Dr. M.; Mahajan Shri Y.G.; Mandlik Shri Sadashivrao Dadoba; Mane Smt. Nivedita; Nikhil Kumar Shri; Rao Shri Kavuru Samba Siva; Singh Shri Kirti Vardhan; Singh Shri Uday

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is contemplating to constitute a National Steel Regulatory Commission;
- (b) if so, the details thereof;
- (c) the objectives behind constitution of this Commission;
- (d) the composition of members of this Commission;
- (e) whether the Indian Steel Alliance have opposed this move of the Government;
- (f) if so, the reasons therefor;
- (g) whether the prices of steel have gone up in the markets during the past few months;
- (h) if so, the extent to which the Government have succeeded in controlling steel prices and the manner in which the steel distribution norms would be eased;
- (i) whether the proposed draft is in favour of the nation, consumers and industry;
- (j) if so, the facts thereof; and
- (k) the time by which this regulatory Commission is likely to submit its report to the Government?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) to (d): In the 18th National Steel Consumers' Council (NSCC) meeting held in June, 2004, some consumers suggested formation of a National Steel Regulatory Body for keeping a check on steel prices. It was decided that the proposal would be examined by the Government.

(e) & (f): The Indian Steel Alliance has indicated that any reaction is possible only after receiving a concrete proposal from the Government.

(g): In the last three months (March-June, 2004) there has been a general reduction in domestic steel prices.

(h): In a liberalized and deregulated environment, the Government does not intervene directly to influence prices. Prices are determined by free interplay of market forces of demand and supply. However, the Government through its policy initiatives, has announced various measures for checking the price and ensuring the domestic availability of steel items which inter-alia include a reduction in customs duty on steel items and on raw materials required for manufacture of steel reduction in excise duty on steel items falling under Chapter 72 of the Customs Tariff Act and freezing of DEPB benefits upon export of steel items.

(i) to (k) Do not arise in view of (a) to (d) above.